



Billing Code: 8026-03

SMALL BUSINESS ADMINISTRATION

Privacy Act of 1974: Revision of Privacy Act System of Records

AGENCY: Small Business Administration (SBA).

ACTION: Notice of Revision of Privacy Act Systems of Records.

SUMMARY: SBA is amending the Privacy Act Systems of Records for the Loan System, SBA 21 (“SOR 21”) to clarify that certain persons who have previously defaulted on a Federal loan or Federally-assisted financing resulting in the Federal government sustaining a loss are included in the records that SBA transfers to the Department of Housing and Urban Development for publication in a government-wide computer information system, the Credit Alert Verification Reporting System (previously referred to as the Credit Alert Interactive Voice Response System). This notice is in accordance with the Privacy Act requirement that agencies publish their amended Systems of Records in the Federal Register when there is a revision, change or addition to the systems.

DATES: Written comments on the revisions to the SBA’s SOR 21 are due [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]. The changes to these Systems of Records are effective without further notice on [INSERT DATE 45 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER] unless comments are received that result in further revision. Based on SBA’s review of comments received, if any, SBA will publish a notice if it determines to make changes to the system notices.

ADDRESSES: Written comments on the revisions to the SBA’s SOR 21 should be directed to William Kostoff, Financial Analyst, U. S. Small Business Administration, 409 3rd Street, SW, Washington, DC 20416, William.kostoff@sba.gov.

FOR FURTHER INFORMATION CONTACT: Adrienne Grierson, Deputy Director, Office of Financial Program Operations at adrienne.grierson@sba.gov.

SUPPLEMENTARY INFORMATION: SBA is revising its Privacy Act Systems of Records Notice, which was previously published at 74 FR 14890 (April 1, 2009), 77 FR 15835 (March 16, 2012), and 77 FR 61467 (October 9, 2012) to amend System 21 (Loan System) to clarify that persons who have previously defaulted on an SBA loan resulting in SBA sustaining a loss are included in the records that SBA transfers to the Department of Housing and Urban Development for publication in a government-wide computer information system, the Credit Alert Verification Reporting System.

System 21 - Loan System.

Under SOR 21, paragraph “o”, SBA transfers delinquent debt information to the Department of Housing and Urban Development (“HUD”) for publication in a government-wide computer information system, the Credit Alert Verification Reporting System (CAIVRS), previously referred to as the Credit Alert Interactive Voice Response System. This transfer of information is authorized pursuant to the Computer Matching and Privacy Protection Act of 1988, as amended, and other applicable law. As a shared database of defaulted Federal debtors, CAIVRS provides the participating Federal agencies and their authorized financial institutions with a means to prescreen applicants for Federal financial assistance to avoid extending such assistance to persons who are credit risks, *e.g.*, persons who have delinquent Federal debt or have had claims paid on direct or guaranteed Federal loans.

Consistent with the purposes of CAIVRS, SBA currently includes in CAIVRS the names of persons (including businesses and guarantors) who have previously defaulted on an SBA loan, resulting in SBA sustaining a loss in any of its programs. These persons who have caused a prior loss to SBA are ineligible for further SBA business loans under 13 CFR 120.110(q), and their listing in CAIVRS assists SBA and its authorized lenders

in ensuring that they do not obtain further SBA financial assistance. For clarity, SBA is amending the routine use provisions of its Privacy Act Systems of Records, Loan System, SBA 21 (“SOR 21”), paragraph “o”, to indicate that persons who have caused a prior loss under 13 CFR 120.110(q) are included in this routine use.

SYSTEM NAME: Loan System – SBA 21

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES: These records and information in the records may be used, disclosed, or referred:

“o—To the Department of Housing and Urban Development or other Federal agency for publication of delinquent debt information of persons (including the names of businesses and individuals) delinquent in paying a debt owed to or guaranteed by the SBA (which includes persons who have caused a prior loss under 13 CFR 120.110(q)) on a system to allow searches by participating Government agencies and approved private lenders, consistent with applicable law.”

Date: April 26, 2021.

Ji Kim,

Director, Office of Financial Program Operations,
Office of Capital Access.

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